

Town of Many, Louisiana

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2003



The CPA. Never Underestimate The Value.SM

Eugene W. Fremaux II

Certified Public Accountant

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	-	-	1
GENERAL PURPOSE FINANCIAL STATEMENTS			
Combined Balance Sheet - All Fund Types and Account Groups	A	-	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	B	-	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General, Special Revenue and Debt Service Fund Types	C	-	6
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type	D	-	7
Comparative Statement of Cash Flows - Proprietary Fund Type	E	-	8
Notes to Financial Statements	-	-	9
COMBINING, INDIVIDUAL FUND, AND ACCOUNT GROUP FINANCIAL STATEMENTS			
General Fund:			
Comparative balance sheets	F-1	-	24
Comparative statements of revenues, expenditures and changes in fund balances	F-2	-	25
Comparative statements of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual	F-3	-	26
Special Revenue Funds:			
Combining balance sheet	G-1	-	33
Combining statement of revenues, expenditures and changes in fund balances	G-2	-	34
Sales Tax Fund:			
Comparative balance sheets	G-3	-	35
Comparative statements of revenues, expenditures and changes in fund balance	G-4	-	36
Comparative statements of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual	G-5	-	37
Streets and sidewalks funds:			
Comparative balance sheets	G-6	-	38
Comparative statements of revenues, expenditures and changes in fund balances	G-7	-	39
Comparative statements of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual	G-8	-	40

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
Debt Service Fund:			
Combining balance sheet	H-1	-	42
Combining statement of revenues, expenditures and changes in fund balances	H-2	-	43
Statements of revenues, expenditures and changes in fund balances - budget (GAAP basis) and actual	H-3	-	44
Enterprise Fund:			
Comparative balance sheets	I-1	-	46
Comparative statement of revenues, expenses and changes in retained earnings - budget (GAAP basis) and actual	I-2	-	47
General Fixed Assets Account Group:			
Comparative statements of general fixed assets by source	J-1	-	48
Statement of changes in general fixed assets	J-2	-	49
General Long-Term Debt Account Group:			
Statement of general long-term debt	K	-	50
OTHER SUPPLEMENTARY INFORMATION:			
Bond Maturity Schedules - Utility Fund:			
Utility revenue bonds - December 30, 1977	-	1	52
Schedule of Expenditures of Federal Awards	-	2	53
Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with <u>Government Auditing Standards</u>	-	-	54
Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with <u>OMB Circular A-133</u>	-	-	56
Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings	-	-	58

INDEPENDENT AUDITOR'S REPORT

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Many, Louisiana, and the combining, individual fund and account group financial statements of the Town of Many, Louisiana, as of June 30, 2003, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Town's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Many, Louisiana, as of June 30, 2003, the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in my opinion, the combining, individual fund, and account group financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Many at June 30, 2003, and the results of operations of such funds and the cash flows of the individual proprietary fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as "Other Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Many, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and in my opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated January 6, 2004 on my consideration of the Town of Many, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The financial statements for the year ended June 30, 2002, which are included for comparative purposes, were taken from the financial report for that year in which I expressed a unqualified opinion dated June 20, 2003, on the general purpose, combining, individual fund, and account group financial statements of the Town of Many, Louisiana.

A handwritten signature in black ink, appearing to read "Eugene W. Fremaux II". The signature is stylized with a large, sweeping initial "E" and a long horizontal line extending to the right.

EUGENE W. FREMAUX II, CPA
January 6, 2004

TOWN OF MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 2003	2002
ASSETS									
Cash and cash equivalents (Note 13)	\$138,023	\$122,078		\$22,582	\$51,852			\$334,535	\$323,404
Investments, at cost (Note 13)	0	156,298		195,780	17,863			369,941	514,448
Receivables:									
Utility bills					139,209			139,209	148,691
Ad valorem taxes (Note 2)	1			1				2	1,320
Franchise taxes	46,037							46,037	38,438
Employees	0							0	0
State of Louisiana (Note 10)	6,500	3,500						10,000	20,843
Sales taxes		86,014						86,014	95,618
Other receivables (Note 10)	10,306	1,317		550	1,435			13,608	11,973
Due from utility fund	270,962	84,710						355,672	288,232
Due from sales tax fund	77,034	78,983						156,017	167,943
Due from street fund	0							0	0
Due from general fund		73,347		3,003				76,350	45,433
Due from debt service fund					110,603			110,603	110,778
Prepaid insurance	32,387	12,899			14,634			59,920	11,604
Prepaid expenses								0	0
Utility deposits	125							125	125
Restricted assets: (Note 3)									
Cash					349,239			349,239	657,917
Investments, at cost					882,256			882,256	872,781
Due from sales tax fund					21,025			21,025	24,006
General fixed assets, at cost (Note 4)						\$1,674,811		1,674,811	1,561,008
Plant and equipment (Note 8)					9,187,517			9,187,517	8,668,304
Accumulated depreciation (Note 8)					(2,763,822)			(2,763,822)	(2,585,447)
Amount available to debt service fund							\$109,154	109,154	205,115
Amount to be provided for retirement of of general long-term debt							546,662	546,662	302,652
Amount to be provided for accumulated unpaid vacation							\$46,604	46,604	24,919
Total assets	\$581,375	\$619,146	\$0	\$221,916	\$8,011,811	\$1,674,811	\$702,420	\$11,811,479	\$11,510,105

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY)	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	JUNE 30, 2003	2002
LIABILITIES AND FUND EQUITY									
Liabilities:									
Sales taxes payable		\$0			\$915			\$915	\$1,501
Payroll and payroll taxes payable	\$26,247	\$9,175			16,094			51,516	41,456
Accounts payable - trade	48,630	31,437			59,988			140,055	66,654
Payable from restricted assets:									
Accrued interest coupons payable				\$2,159	16,502			18,661	19,412
Customers' meter deposits					83,550			83,550	84,335
Revenue bonds payable					25,000			25,000	25,000
DEQ bonds payable					247,000			247,000	238,000
Accounts payable-construction					40,756			40,756	216,609
Due to debt service fund	3,003							3,003	906
Due to general fund		77,034			270,962			347,996	319,183
Due to streets and sidewalks fund	73,347	78,983			84,710			237,040	181,519
Due to utility fund		21,025		110,603				131,628	134,784
General obligation bonds payable (Note 5)							\$655,816	655,816	507,767
Revenue bonds payable (Note 5)					545,000			545,000	570,000
DEQ bonds payable (Note 5)					574,143			574,143	767,545
Due to State of Louisiana								0	0
Due to Federal government								0	0
Accumulated unpaid vacation					25,910		46,604	72,514	44,608
Total liabilities	151,227	217,654	0	112,762	1,990,530	0	702,420	3,174,593	3,219,279
Fund Equity:									
Contributed capital					4,998,281			4,998,281	4,750,232
Investments in general fixed assets						1,674,811		1,674,811	1,561,008
Retained earnings:									
Reserved					1,097,662			1,097,662	1,212,153
Unreserved (deficit)-(Note 15)					(74,662)			(74,662)	(298,504)
Fund balances:									
Unreserved:									
Designated for debt service				109,154				109,154	92,353
Undesignated	430,148	401,492						831,640	973,584
Total fund equity	430,148	401,492	0	109,154	6,021,281	1,674,811	0	8,636,886	8,290,826
Total liabilities and fund equity	\$581,375	\$619,146	\$0	\$221,916	\$8,011,811	\$1,674,811	\$702,420	\$11,811,479	\$11,510,105

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 2003
 WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2002

					TOTALS (MEMORANDUM ONLY) YEAR ENDED JUNE 30.	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	2003	2002
Revenues:						
Taxes	\$253,080	\$1,070,335		\$140,475	\$1,463,890	\$1,465,006
Licenses and permits	207,386	0		0	207,386	221,885
Intergovernmental	156,896	7,000	\$0	0	163,896	444,997
Charges for services	129,199	0		0	129,199	132,254
Fines	46,041	0		0	46,041	49,766
Interest	4,632	7,651		4,405	16,688	23,139
Miscellaneous	39,428	0	0	0	39,428	41,338
Total revenues	836,662	1,084,986	0	144,880	2,066,528	2,378,385
Expenditures:						
Current:						
General government	240,011	296,876		0	536,887	472,303
Public safety:						
Police	545,029	0		0	545,029	543,587
Highways and streets	58,027	243,841		0	301,868	249,356
Sanitation	227,881	0		0	227,881	207,336
Hart airport	60,489	0		0	60,489	349,328
Recreation	122,361	0		0	122,361	98,611
Maintenance	268	0		0	268	363
Public relations	58,218	0		0	58,218	52,705
Capital construction	0	0	0	0	0	0
Debt service:				0		
Principal retirement	0	0		100,000	100,000	95,000
Interest and fiscal charges	0	0		28,079	28,079	11,208
Total expenditures	1,312,284	540,717	0	128,079	1,981,080	2,079,797
Excess (deficiency) of revenue over expenditures	(475,622)	544,269	0	16,801	85,448	298,588
Other financing sources (uses):						
					0	0
Operating transfers in	421,183	421,183		248,049	1,090,415	1,077,143
Operating transfers out	0	(1,052,957)		(248,049)	(1,301,006)	(1,290,261)
Total other financing sources (uses)	421,183	(631,774)	0	0	(210,591)	(213,118)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(54,439)	(87,505)	0	16,801	(125,143)	85,470
Fund balances, beginning of year	484,587	488,997	0	92,353	1,065,937	980,467
Fund balances, end of year	\$430,148	\$401,492	\$0	\$109,154	\$940,794	\$1,065,937

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
 BUDGET (GAAP BASIS) AND ACTUAL - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
 YEAR ENDED JUNE 30, 2003

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			DEBT SERVICE FUND TYPES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:									
Taxes	\$246,100	\$253,080	\$6,980	\$990,000	\$1,070,335	\$80,335	\$140,000	\$140,475	\$475
Licenses and permits	184,400	207,386	22,986						
Intergovernmental	182,575	156,896	(25,679)	7,000	7,000	0			
Charges for services	131,400	129,199	(2,201)						
Fines	55,000	46,041	(8,959)						
Interest	5,000	4,632	(368)	4,500	7,651	3,151	5,000	4,405	(595)
Miscellaneous	3,500	39,428	35,928	0	0	0			
Total revenues	807,975	836,662	28,687	1,001,500	1,084,986	83,486	145,000	144,880	(120)
Expenditures:									
Current:									
General government	243,713	240,011	3,702	276,707	296,876	(20,169)			
Public safety:									
Police	535,187	545,029	(9,842)						
Highways and streets	56,500	58,027	(1,527)	252,000	243,841	8,159			
Sanitation	216,075	227,881	(11,806)						
Hart airport	65,232	60,489	4,743						
Recreation	175,833	122,361	53,472						
Maintenance	500	268	232						
Public relations	63,613	58,218	5,395						
Airport construction	0	0	0						
Debt service:									
Principal	0	0	0				100,000	100,000	0
Interest	0	0	0				28,000	28,079	(79)
Total expenditures	1,356,653	1,312,284	44,369	528,707	540,717	(12,010)	128,000	128,079	(79)
Excess (deficiency) of revenue over expenditures	(548,678)	(475,622)	73,056	472,793	544,269	71,476	17,000	16,801	(199)
Other financing sources (uses):									
Operating transfers in	390,060	421,183	31,123	390,060	421,183	31,123	248,049	248,049	
Operating transfers out				(975,150)	(1,052,957)	(77,807)	(248,049)	(248,049)	
Total other financing sources (uses)	390,060	421,183	31,123	(585,090)	(631,774)	(46,684)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(158,618)	(54,439)	104,179	(112,297)	(87,505)	24,792	17,000	16,801	(199)
Fund balances, beginning of year	484,587	484,587	0	488,997	488,997	0	92,353	92,353	0
Fund balances, end of year	\$325,969	\$430,148	\$104,179	\$376,700	\$401,492	\$24,792	\$109,353	\$109,154	(\$199)

The notes to the financial statements are an integral part of this statement.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)-
UTILITY FUND
PROPRIETARY FUND TYPE
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
Operating revenues:		
Water charges	\$658,365	\$631,450
Sewer charges	164,106	161,129
Connection charges	11,040	16,958
Delinquent charges	17,733	10,741
Miscellaneous	8,683	19,497
Total operating revenues	<u>859,927</u>	<u>839,775</u>
Operating expenses:		
Salaries	253,705	214,346
Insurance	59,826	44,585
Supplies	34,426	41,814
Contract labor	22,376	7,091
Bad debt expense	5,155	3,434
Legal and accounting	5,343	4,507
Repairs and maintenance	29,594	24,608
Truck expense	12,993	9,180
Telephone	8,815	7,224
Rent	663	394
Office supplies and postage	6,386	7,583
Retirement	10,605	7,357
Payroll taxes	19,517	15,576
Utilities	100,128	95,301
Freight	355	315
Miscellaneous	19,849	19,484
Testing fees	6,842	6,671
Water treatment plant supplies	72,396	61,728
Sewer plant supplies	11,261	22,250
Water purchased	44,618	34,943
Depreciation	191,269	162,447
Professional fees	22,484	3,970
Travel and seminars	2,896	2,896
Total operating expenses	<u>941,502</u>	<u>797,704</u>
Operating income (loss)	<u>(81,575)</u>	<u>42,071</u>
Nonoperating revenues (expenses):		
Interest income	30,795	47,276
Transfer from sales tax fund	210,591	213,118
Interest expense	(50,460)	(30,250)
Total nonoperating revenues (expenses)	<u>190,926</u>	<u>230,144</u>
Net income (loss)	109,351	272,215
Retained earnings (deficit), beginning of year	<u>913,649</u>	<u>641,434</u>
Retained earnings (deficit), end of year	<u>\$1,023,000</u>	<u>\$913,649</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
UTILITY FUND
YEARS ENDED JUNE 30, 2003 AND 2002

	YEAR ENDED JUNE 30,	
	2003	2002
Cash flows from operating activities:		
Cash received from customers	\$869,409	\$814,675
Cash paid to suppliers and employees	(641,203)	(436,386)
Customers' deposits received	21,870	20,585
Customers' deposits refunded	(22,655)	(15,120)
Net cash provided by operating activities	<u>227,421</u>	<u>383,754</u>
Cash flows from capital and related financing activities:		
Grants received for acquisition of fixed assets	0	0
Proceeds from DEQ loans	53,598	946,980
Sales taxes collected for construction	213,572	210,873
Capital expenditures paid in cash	(459,911)	(1,048,606)
Cash paid on principal amount of bonds payable	(263,000)	(129,000)
Interest on bonds payable paid	(51,386)	(30,943)
Cash flows from capital and related financing activities	<u>(507,127)</u>	<u>(50,696)</u>
Cash flows from investing activities:		
Interest received	31,694	48,118
Net cash provided (used) by investing activities	<u>31,694</u>	<u>48,118</u>
Net increase (decrease) in cash and cash equivalents	(248,012)	381,176
Cash and cash equivalents, beginning of year	<u>1,549,222</u>	<u>1,168,046</u>
Cash and cash equivalents, end of year	<u>\$1,301,210</u>	<u>\$1,549,222</u>
Reconciliation of operating income to net cash provided by operations:		
Operating income (loss)	<u>(\$81,575)</u>	<u>\$42,071</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	191,269	162,447
(Increase) decrease in prepaid expenses	(3,030)	(813)
(Increase) decrease in accounts receivable	9,482	(25,100)
(Increase) decrease in receivable from other funds	175	(34,000)
(Decrease) increase in payroll and payroll taxes payable	4,809	88
(Decrease) increase in accounts payable	34,001	206,286
(Decrease) increase in customers' deposits	(785)	5,465
(Decrease) increase in payable to other funds	67,440	27,891
(Decrease) increase in accumulated unpaid vacation	6,221	(810)
(Decrease) increase in sales taxes payable	(586)	229
Total adjustments to operating income	<u>308,996</u>	<u>341,683</u>
Net cash provided by operating activities	<u>\$227,421</u>	<u>\$383,754</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

(1) Summary of Significant Accounting Policies -

The Town of Many was incorporated November 1, 1878, under the provisions of a special home rule charter. The Town began operating under the provisions of the Lawrason Act in January 1996 as a result of an election that was held in the Fall of 1995. The Town operates under a Mayor - Board of Aldermen form of government.

The accounting and reporting policies of the Town of Many conform to generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

Financial reporting entity

In evaluating how to define the Town of Many, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the financial statements of the Town of Many consist of only the funds and account groups of the Town since the Town has no oversight responsibility for any other governmental entity.

Fund accounting

The accounts of the Town of Many are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are all allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into four generic fund types and two broad fund categories as follows:

Governmental Funds -

General Fund

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The special revenue funds consist of the Sales Tax, Streets and Sidewalks, and Section Eight Existing Housing Voucher Funds.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the construction of major capital facilities.

Proprietary Fund -

Enterprise Fund

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fixed assets and long-term liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets. Approximately 75 percent of fixed assets are valued at historical cost, while the remaining 25 percent of fixed assets are valued at estimated historical cost based on the cost of like items.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water system	10-60 years
Sewer system	5-60 years
Fixtures and equipment	5-60 years
Trucks and machinery	3-5 years

All fixed assets are stated at historical cost.

Basis of accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting also relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers ad valorem taxes as available if they are collected within 60 days after year end. Ad valorem taxes are recorded as revenue when levied because they are considered to be both measurable and available. Those revenues susceptible to accrual are ad valorem taxes, franchise taxes, sales taxes, interest revenue, licenses, intergovernmental revenues, and charges for services. Fines, permits, penalties and interest, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Anticipated refunds of taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that principal and interest on general long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for by using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and budgetary accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. This is included in minutes of the council meetings.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. All expenditures in excess of budgeted amounts are approved by the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

Cash and cash equivalents

Consistent with GASB Statement 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, the Town of Many defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments with original maturities of three months or less qualify under this definition.

Investments

Investments are stated at cost. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

Bad debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No ad valorem taxes or customers' utility receivables were considered uncollectible at June 30, 2003.

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items.

Compensated absences

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Accumulated vacation leave of the proprietary fund is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on combined statements - overview

Total columns on the general purpose financial statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and are payable upon receipt of notice. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation - 3 and GASB Codification Section P70 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. Revenues from ad valorem taxes are budgeted in the year billed.

For the year ended June 30, 2003, taxes of 17.28 mills were levied on property with assessed valuations totaling \$13,612,330 and were dedicated as follows:

General corporate purposes	6.78 mills
DEQ General Obligation bonds	10.50 mills

Total taxes levied were \$235,225.

(3) Restricted Assets - Proprietary Fund Type

The resolutions applicable to the 1977 Utility Revenue Bonds and the 2001 DEQ sales tax and revenue bonds require the establishment of various bond principal and interest sinking funds and the establishment of a debt service reserve fund. For financial reporting purposes these funds have been consolidated with the Utility Fund. Net assets of the Utility Fund have been restricted in accordance with the provision of the

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

respective bond indentures in the amount of \$1,231,495 at June 30, 2003, which represents the restricted assets included in the various debt service reserve funds and bond principal and interest sinking funds at that date less current liabilities payable from these restricted assets.

(4) Changes in General Fixed Assets

A summary of changes in general fixed assets for 2003 follows:

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Land	\$116,366	\$ 0	0	\$116,366
Buildings and improvements	413,859	66,130	0	479,989
Streets and traffic control equip.	5,935	0	0	5,935
Machinery and equipment	768,150	27,055	0	795,205
Automobiles and trucks	<u>256,698</u>	<u>20,618</u>	<u>0</u>	<u>277,316</u>
Total general fixed assets	\$1,561,008 =====	\$113,803 =====	\$ 0 =====	\$1,674,811 =====

(5) Long-term Debt

General obligation bonds

The Town of Many issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. Bonds expected to be repaid from proprietary revenues are reported in the proprietary fund. General obligation bonds are direct obligations and pledge the full faith and credit of the Town of Many. In June 2000, the Town authorized the issuance of \$1,100,000 of general obligation bonds. The bonds are issued through a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality (DEQ) for the purpose of primarily replacing the majority of water lines in the Town. During 2003 an additional \$248,049 of bonds were purchased by DEQ, bringing the total purchased to date to \$932,816. General obligation bonds outstanding at June 30, 2003 are as follows:

\$1,100,000 General obligation bonds dated 12/19/00;
due in annual installments of \$82,000 - \$132,000 through
May 31, 2010; interest at 3.45%, plus .5% administrative
fee \$655,816

The remainder of the unissued bonds are to be purchased by DEQ over the next two years as the project is completed.

Revenue bonds

The Town of Many also issues bonds where the Town pledges income derived from the acquired or constructed assets to pay the debt service. Revenue bonds outstanding at June 30, 2003 are comprised of the following:

\$903,000 Utility Revenue Bonds dated 12/30/77;
due in annual installments of \$20,000 - \$55,000 through
December 30, 2018; interest at 5% \$570,000

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

\$1,500,000 Utility Revenue Bonds dated 12/19/00;
due in annual installments of \$125,000 - \$178,000
through December 30, 2011; interest at 3.45% \$137,132

In June 2000, the Town authorized the issuance of \$1,500,000 of revenue bonds. The bonds are issued through a Loan and Pledge Agreement with DEQ for the purpose of primarily replacing the majority of water lines in the Town. During 2003 an additional \$42,966 of bonds were purchased by DEQ, bringing the total purchased to date to \$262,132. These bonds were issued in connection with a project to replace the majority of the water lines in the Town of Many, and were purchased by DEQ. Proceeds of these bonds are expected to be drawn on as needed over the next two years as the project is completed.

Sales tax bonds

The Town of Many also issues bonds where the Town pledges income derived from a designated sales tax to pay the debt service. Sales tax bonds outstanding at June 30, 2003, secured by a pledge of a 1/4% sales tax, are comprised of the following:

\$1,000,000 Utility Sales Tax Bonds dated 12/19/00;
due in annual installments of \$109,000 - \$143,000 through
December 30, 2008; interest at 3.45% \$684,011

In June 2000, the Town authorized the issuance of \$1,500,000 of sales tax bonds. The bonds are issued through a Loan and Pledge Agreement with DEQ for the purpose of primarily replacing the majority of water lines in the Town. During 2003 an additional \$10,632 of bonds were purchased by DEQ, bringing the total purchased to date to \$906,011. These bonds were issued in connection with a project to replace the majority of the water lines in the Town of Many, and were purchased by DEQ. Proceeds of these bonds are expected to be drawn on as needed over the next two years as the project is completed.

The annual requirements to amortize all debt outstanding as of June 30, 2003 (excluding the DEQ debt in process), including interest payments of \$255,000 are as follows:

<u>YEAR ENDING</u>	<u>REVENUE</u>	<u>TOTAL</u>
<u>JUNE 30</u>		
2003	\$14,250	\$14,250
2004	52,875	52,875
2005	51,625	51,625
2006	55,250	55,250
2007	53,750	53,750
2008	57,125	57,125
2009	55,375	55,375
2010	53,625	53,625
2011	51,875	51,875
2012	55,000	55,000
2013	53,000	53,000
2014	55,875	55,875
2015	53,625	53,625
2016	51,375	51,375
2017	54,000	54,000
2018	<u>56,375</u>	<u>56,375</u>

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

\$ 825,000	\$ 825,000
=====	=====

Changes in long-term debt

During the year ended June 30, 2003, the following changes occurred in liabilities reported in the general long-term debt account group:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
General obligation debt:				
Public improvement bonds:				
DEQ bonds	\$507,767	\$248,049	\$(100,000)	\$655,816
Accumulated unpaid vacation	<u>24,919</u>	<u>21,685</u>	<u>0</u>	<u>46,604</u>
	\$532,686	\$269,734	\$(100,000)	\$702,420
	=====	=====	=====	=====

During the year ended June 30, 2003 the following changes occurred in long-term debt reported as liabilities in the proprietary fund:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE
Revenue bonds:				
1977 Utility revenue bonds	\$595,000	-	\$(25,000)	\$570,000
DEQ Utility sales tax bonds	786,379	\$ 10,632	(113,000)	684,011
DEQ Utility revenue bonds	<u>219,166</u>	<u>42,966</u>	<u>(125,000)</u>	<u>137,132</u>
	<u>\$1,600,545</u>	<u>\$ 53,598</u>	<u>\$(263,000)</u>	<u>\$1,391,143</u>

(6) Dedication of proceeds and flow of funds - 1 1/4% sales and use tax

Proceeds of a 1 1/4% sales and use tax levied by the Town of Many are dedicated to the following purposes:

1. 1/2% sales tax is transferred to the streets and sidewalks fund for maintenance and construction of streets and sidewalks.
2. 1/2% sales tax is transferred to the general fund for general operating or any other use as designated by the Board.
3. 1/4% sales tax is transferred to the utility fund to be used for water system improvements. This tax was effective October 1, 1998.

(7) Flow of funds; restrictions on use - utilities revenues

Under the terms of the bond indenture on outstanding Utility Revenue Bonds dated December 30, 1977, all income and revenues of every nature, earned or derived from operations of the utility fund are pledged and dedicated to the retirement of said bonds, and are to be used for the following expressed purposes:

- (a) Payment of all reasonable expenses of administration, operation and maintenance of the system.

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

(b) Each month there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. The required balance is the sum of six monthly deposits (\$26,750). The present balance in the account is \$30,550.

(c) There will be set aside monthly into a "Revenue Bond Reserve Fund" a sum equal to at least 5% of the amount required to be deposited into the Revenue Bond and Interest Sinking Fund until the balance reaches \$58,000. These funds are to be used only for payment of principal and interest on bonds that would otherwise be in default. There is presently \$59,699 in this fund.

(d) There will be set aside into a "Depreciation and Contingency Fund" \$520 each month. Expenditures for extensions, additions, improvements and replacements necessary to properly operate the utility may be made from this fund. The required balance at June 30, 2003 is \$152,880. There is presently \$235,197 in this fund.

Under terms of the 1/4% sales tax effective October 1, 1998 and the corresponding rate increase, funds from these revenue sources are restricted to use for payment of construction and financing costs related to a water system improvement project, as further described in Note 15. As of June 30, 2003, related assets of \$925,841, comprised of unexpended funds from loan proceeds, related usage fees, reserve and sinking fund accounts, and the 1/4% sales tax are shown as restricted in the financial statements.

(8) Plant and equipment - proprietary fund type

A summary of plant and equipment for the utility fund at June 30, 2003 is as follows:

	STRAIGHT LINE RATE	COST	ACCUMULATED DEPRECIATION	NET	2003 DEPRECIATION
Water system	10-60 yrs.	\$5,616,656	\$1,225,369	\$4,391,287	\$115,429
Sewer system	5-60 yrs.	3,113,773	1,377,667	1,736,106	62,545
Fixtures and equipment	5-60 yrs.	72,824	64,218	8,606	3,581
Trucks and machinery	3-5 yrs.	111,377	96,568	14,809	9,714
Construction in progress		233,888		233,888	
Land	-	38,999	-	38,999	-
		<u>\$9,187,517</u>	<u>\$2,763,822</u>	<u>\$6,423,695</u>	<u>\$191,269</u>
		=====	=====	=====	=====

	COST	ACCUMULATED DEPRECIATION	NET
Changes during the year:			
Balance, beginning of year	\$8,668,304	\$2,585,447	\$6,082,857
Additions:			
Water system	2,126,231	-	2,126,231
Sewer system	21,916	-	21,916
Furniture & fixtures	164		164
Construction in progress	(1,615,190)	-	(1,615,190)
Deletions:			
Water system	(7,175)	(7,175)	-
Sewer system	(4,239)	(3,225)	(1,014)
Furniture & fixtures	(2,494)	(2,494)	-

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Depreciation	-	191,269	(191,269)
Total	\$9,187,517	\$2,763,822	\$6,423,695
	=====	=====	=====

(9) Employee retirement systems

All employees of the Town of Many are protected by the Social Security System. All employees contributed 7.65% of their total salary to the System, while the Town contributed a like amount. For the year ended June 30, 2003 total contributions to the System were \$143,258, of which the Town contributed \$71,629 and employees contributed \$71,629. Total payroll covered by this System for the year ended June 30, 2003 was \$936,327. Any future deficit in this System will be financed by the United States Government. The Town has no further liability to the System for the year ended June 30, 2003.

The police are also members of the Municipal Police Employees' Retirement System of Louisiana. The following is a brief description of this retirement system.

Municipal Police Employees' Retirement System

The Municipal Police Employees' Retirement System provides retirement benefits to employees of any municipality in the state which employs a full-time police officer, empowered to make arrests, or which has an elected Chief of Police whose salary is at least \$100 per month.

Eligible employees include any full-time police officer, empowered to make arrests, employed by a municipality of the State and engaged in law enforcement, earning at least \$375 per month excluding state supplemental pay, or an elected Chief of Police whose salary is at least \$100 per month. Elected Councilmen and Mayors are excluded from membership.

Persons who were members on September 7, 1977 must remain members of the System and persons hired on or after that date must become members of the System as a condition of employment if they are under age 50 and are not covered by the Social Security System.

Employees attaining the age of 50 completing 20 or more years of service, or the age of 55 and completing 12 years of service, are entitled to a yearly benefit of 3 1/3% of their average final compensation, as defined in the plan, times years of creditable service. Active employees who become disabled after 1985 due to total and permanent disability, with at least 5 years of creditable service, receive a benefit of 3% of average final compensation multiplied by the years of creditable service, but not less than 40% nor more than 60% of average final compensation. Upon reaching retirement age, disability pensioners receive the greater of disability benefits or accrued benefits earned to the date of disability. Prior to the enactment of Act 81 of 1985, other disability rules may be applicable as described in the plan. The system also provides for death benefits as described in the plan.

Covered employees are required by state statute to contribute 7.5% of their salary to the System. The Town is required to contribute 9% of covered employees' salaries to the System. The contribution requirement for the year ended June 30, 2003 was \$34,595 which consisted of \$18,870 from the Town and \$15,725 from covered employees.

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB 5 that, with some exceptions must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

to (a) assess the PERS funding status on a going concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

Total unfunded pension benefit obligation of the Municipal Police Employees' Retirement System as of June 30, 2002 was as follows:

Total pension benefit obligations	\$1,384,605,592
Net assets available for benefits	<u>1,189,425,524</u>
Unfunded (assets in excess of) pension benefit obligation	\$ (195,180,068) =====

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 2002. Net assets available to pay pension benefits were valued as of the same date.

Ten-year historical trend information is presented in the System's June 30, 2002 comprehensive annual financial report. This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

Municipal Employees' Retirement System

Other full time employees participate in the Municipal Employees' Retirement System of Louisiana (the System), a multiple-employer public employee retirement system. Employees who retire at or after age 65 with 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average salary for each year of credited service. Final-average salary is the employee's average salary over the last three years of credited service. Employees may retire at or after age 60 and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute. Participating employees contribute 5% of their total salary into the System, and the Town contributes an amount equal to 6.25% of the total salaries of participating employees. For the year ended June 30, 2003, the total contributions to this System were \$41,063, of which the Town contributed \$22,813 and the employees contributed \$18,250. Total payroll covered by this System was \$365,006. Total unfunded pension benefit obligation of the Municipal Employees' Retirement System as of June 30, 2002 was as follows:

Total pension benefit obligations	\$95,381,233
Net assets available for benefits	<u>88,697,416</u>
Unfunded pension benefit obligation	\$ 6,683,817 =====

The Town of Many does not guarantee the benefits granted by any of the systems in which it participates.

(10) Amounts due from State of Louisiana and other receivables

Amounts due from State of Louisiana at June 30, 2003 consisted of the following:

Due from State of Louisiana

Mowing	\$ 3,500
Beer taxes	<u>6,500</u>
Total due from Louisiana	<u>\$ 10,000</u>

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Other receivables at June 30, 2003 are as follows:

Other receivables

Interest	\$ 3,302
Other	5,306
Grants	5,000
	<u>\$13,608</u>

(11) Obligations under leases

The Town was not obligated under any capital lease commitments at June 30, 2003.

(12) Litigation

The Town is a party to legal proceedings involving suits filed against the Town for various reasons, however Town management does not believe the Town is exposed to any material losses in these proceedings. Accordingly, no provision for losses is included in the financial statements.

(13) Cash and Investments

Louisiana revised Statutes authorize the Town to invest in United States bonds, treasury notes or certificates, or to deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

As described in Note 1, cash equivalents include all short term highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the date of purchase, have a maturity date no longer than three months qualify under this definition.

At June 30, 2003, the Town of Many has cash and investments as follows:

	Unrestricted	Restricted	Total
Cash	\$334,535	\$ 349,239	\$ 683,774
Investments	369,941	882,256	1,252,197
	-----	-----	-----
	\$704,476	\$1,231,495	\$1,935,971
	=====	=====	=====

Investments consist of certificates of deposit.

Of the total of \$1,935,441 deposited in demand and time deposits as of June 30, 2003, \$300,410 was secured through federal depository insurance and \$1,635,031 was secured by the pledge of securities (\$2,860,098 par value) owned by the depository banks. These securities are held in the name of the pledging banks in a custodial bank that is mutually acceptable to both parties. These secured deposits are considered uncollateralized under the provisions of GASB Statement 3; however, Louisiana Revised Statutes require the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Town that the pledging bank has failed to pay deposited funds upon demand. The Town's deposits were fully insured or collateralized at June 30, 2003.

(14) Report classifications

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

Certain previously reported amounts have been reclassified to conform to 2002 report classifications.

(15) Retained earnings (deficit)

Effective May 15, 1998 the Town increased water rates by approximately 23% to allow the Utility Fund to eliminate the deficit in retained earnings caused by the continuing loss being incurred in operations of water services. The Town also has a project underway to replace the majority of the water lines in the Town, which is to be funded through the issuance of an estimated \$3,600,000 in bonds under the Drinking Water Revolving Loan program. The bonds are to be repaid through a water rate increase of 28% effective October 1998, a 1/4% sales tax effective October 1, 1998, and an estimated ad valorem tax of 11 mills effective in 2000. The second of two phases of this project is presently under construction under a \$1,254,800 construction contract awarded on May 13, 2003.

A portion of retained earnings is reserved to cover certain restricted assets pledged for future debt service on the revenue bonds issued by the Utility Fund, and on funds collected in connection with the above water line improvement project.

(16) Compensation paid to Mayor and Aldermen

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and member of the Town Council for the year ended June 30, 2003:

Mayor Kenneth Freeman	\$24,000
Aldermen:	
I. D. Bostian	6,000
John Hoagland	6,000
Barbara Peterson	6,300
Jeanette Dean	6,000
Faye Kennedy	6,000

(17) Interfund receivables and payables

A summary of interfund receivables and payables at June 30, 2003 follows:

	<u>Receivable</u>	<u>Payable</u>
General fund - due from utility fund	\$270,962	
- due from sales tax fund	77,034	
- due to street fund		\$ 73,347
- due to debt service fund		3,003
Special revenue - due from utility fund	84,710	
- due from sales tax fund	78,983	
- due from general fund	73,347	
Special revenue - due to general fund		77,034
- due to street fund		78,983
- due to utility fund		21,025
Debt service fund - due from general fund	3,003	
- due to utility fund		110,603
Utility fund - due to general fund		270,962
- due from sales tax fund	21,006	
- due from debt service fund	110,603	
- due to street fund		<u>84,710</u>

TOWN OF MANY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

\$719,667	\$719,667
=====	=====

(18) Contingent liability

The Town is committed to providing matching funds amounting to \$116,781 under various grants for the year ending June 30, 2003. In addition, the Town awarded a construction contract for the airport on September 9, 2003 in the amount of \$220,725, which is to be funded with federal and state grants.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2003 AND 2002

ASSETS	2003	2002
Cash and cash equivalents	\$138,023	\$94,389
Investments, at cost	0	114,061
Receivables:		
Ad valorem taxes	1	518
Franchise taxes	46,037	38,438
Employees	0	0
State of Louisiana	6,500	17,343
Other	10,306	8,761
Due from sales tax fund	77,034	82,997
Due from street fund	0	0
Due from utility fund	270,962	236,186
Utility deposits	125	125
Prepaid insurance	32,387	0
Total assets	<u>\$581,375</u>	<u>\$592,818</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$48,630	\$37,007
Payroll and payroll taxes payable	26,247	25,791
Due to debt service fund	3,003	906
Due to street and sidewalks fund	73,347	44,527
Total liabilities	151,227	108,231
Fund balance - unreserved	<u>430,148</u>	<u>484,587</u>
Total liabilities and fund balance	<u>\$581,375</u>	<u>\$592,818</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
Revenues:		
Taxes:		
Ad valorem	\$92,438	\$88,601
Franchise	160,642	160,303
Licenses and permits	207,386	221,885
Intergovernmental	156,896	437,997
Charges for services	129,199	132,254
Fines	46,041	49,766
Interest	4,632	6,336
Miscellaneous revenues	<u>39,428</u>	<u>41,338</u>
Total revenues	<u>836,662</u>	<u>1,138,480</u>
Expenditures:		
Current:		
General government	240,011	266,769
Highways and streets	58,027	54,684
Public safety:		
Police	545,029	543,587
Sanitation	227,881	207,336
Hart airport	60,489	349,328
Recreation	122,361	98,611
Maintenance	268	363
Public relations	58,218	52,705
Debt service:		
Principal	0	0
Interest	<u>0</u>	<u>0</u>
Total expenditures	<u>1,312,284</u>	<u>1,573,383</u>
Excess (deficiency) of revenues over expenditures	<u>(475,622)</u>	<u>(434,903)</u>
Other financing sources (uses):		
Operating transfers from (to):		
Debt service fund	0	0
Sales tax fund	<u>421,183</u>	<u>426,235</u>
Total other financing sources (uses)	<u>421,183</u>	<u>426,235</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(54,439)	(8,668)
Fund balance, beginning of year	<u>484,587</u>	<u>493,255</u>
Fund balance, end of year	<u>\$430,148</u>	<u>\$484,587</u>

The accompanying notes are an integral part of these statements

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>			<u>2002</u>
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Taxes:				
Ad valorem	\$90,000	\$92,438	\$2,438	\$88,601
Franchise:				
Cleco	85,000	95,791	10,791	91,691
Atmos Energy	19,000	15,317	(3,683)	16,807
Telephone	35,000	33,455	(1,545)	37,913
Valley Electric	5,500	5,336	(164)	5,104
Cable TV	11,600	10,743	(857)	8,788
Total taxes	<u>246,100</u>	<u>253,080</u>	<u>6,980</u>	<u>248,904</u>
Licenses and permits:				
Occupational licenses	180,000	202,523	22,523	209,080
Electrical, building and other permits	4,100	4,173	73	12,555
Zoning compliance fees	300	690	390	250
Total licenses and permits	<u>184,400</u>	<u>207,386</u>	<u>22,986</u>	<u>221,885</u>
Intergovernmental:				
Federal grants	94,900	70,300	(24,600)	316,970
Sabine Parish Housing Authority	8,500	10,399	1,899	9,633
State of Louisiana:				
Other	64,175	63,841	(334)	95,907
Video poker tax	0	0	0	0
Tobacco tax	0	0	0	0
Alcoholic beverage tax	15,000	12,356	(2,644)	15,487
Total intergovernmental	<u>182,575</u>	<u>156,896</u>	<u>(25,679)</u>	<u>437,997</u>
Charges for services:				
Grass cutting	1,400	238	(1,162)	2,133
Garbage fees	130,000	128,961	(1,039)	130,121
Total charges for services	<u>131,400</u>	<u>129,199</u>	<u>(2,201)</u>	<u>132,254</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues: (continued)				
Fines	<u>\$55,000</u>	<u>\$46,041</u>	<u>(\$8,959)</u>	<u>\$49,766</u>
Interest	<u>5,000</u>	<u>4,632</u>	<u>(368)</u>	<u>6,336</u>
Miscellaneous revenues:				
Airport revenue	1,000	4,580	3,580	1,833
Miscellaneous	2,500	30,005	27,505	38,130
Sale of assets	0	4,843	4,843	1,375
Sale of material	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total miscellaneous revenues	<u>3,500</u>	<u>39,428</u>	<u>35,928</u>	<u>41,338</u>
Total revenues	<u>807,975</u>	<u>836,662</u>	<u>28,687</u>	<u>1,138,480</u>
Expenditures:				
Current:				
General government:				
Advertising	2,500	4,454	(1,954)	490
Audit fee	5,100	0	5,100	0
Annexation	1,000	0	1,000	0
City attorney	0	0	0	0
Election expense	0	0	0	4,014
Dues and subscriptions	3,750	4,127	(377)	3,312
Insurance	17,500	15,438	2,062	20,843
Legal and accounting	5,500	15,993	(10,493)	32,355
Miscellaneous	5,825	7,790	(1,965)	1,794

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>			<u>2002</u>
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
General government:				
Office supplies and postage	\$11,000	\$7,959	\$3,041	\$10,379
Reapportionment	0	128	(128)	1,001
Rent of equipment	2,000	1,734	266	1,557
Repairs and maintenance	2,500	2,997	(497)	8,134
Mayor & aldermen's salaries	54,300	54,300	0	44,955
Other salaries	92,308	82,938	9,370	87,210
Supplies	1,500	270	1,230	1,203
Payroll taxes	11,216	9,282	1,934	11,229
Retirement	2,864	4,867	(2,003)	9,949
Tax roll preparation cost	2,200	2,108	92	2,065
Telephone	7,000	5,596	1,404	5,801
Travel and seminars	10,500	16,008	(5,508)	15,545
Utilities	4,000	2,707	1,293	3,521
Ordinance expenses	650	725	(75)	0
Workmen's compensation	500	590	(90)	334
Capital outlay	0	0	0	1,078
Total general government	<u>243,713</u>	<u>240,011</u>	<u>3,702</u>	<u>266,769</u>
Highways and streets:				
Street lights	56,000	58,027	(2,027)	54,684
Miscellaneous	500	0	500	0
Total highways and streets	<u>56,500</u>	<u>58,027</u>	<u>(1,527)</u>	<u>54,684</u>
Public safety:				
Police:				
Dues and subscriptions	500	1,072	(572)	655
Miscellaneous	17,400	9,594	7,806	18,687
Office supplies & postage	1,700	5,060	(3,360)	4,459
Equipment costs	0	800	(800)	772
Legal costs	5,000	8,198	(3,198)	50
Prisoner expense	2,000	2,600	(600)	865

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>			<u>2002</u>
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
Public safety:				
Police:				
Car expense	\$9,000	\$12,805	(\$3,805)	\$9,222
Workmen's compensation insurance	9,481	13,456	(3,975)	10,914
Repairs & maintenance	7,500	10,456	(2,956)	13,128
Salaries	294,534	345,768	(51,234)	303,358
Supplies	6,500	12,747	(6,247)	5,930
Payroll taxes	22,532	25,588	(3,056)	25,412
Retirement	15,000	20,873	(5,873)	16,548
Informant fees	300	0	300	0
Insurance	31,740	14,320	17,420	24,869
Insurance - medical	29,500	40,886	(11,386)	26,919
Telephone	2,500	2,289	211	1,941
Travel and training	10,000	9,120	880	4,575
Uniforms and laundry	6,000	4,083	1,917	4,716
Utilities	4,000	2,308	1,692	3,570
Capital outlay	60,000	3,006	56,994	66,997
Total police	<u>535,187</u>	<u>545,029</u>	<u>(9,842)</u>	<u>543,587</u>
Garbage and trash:				
Miscellaneous	0	0	0	0
Salaries	0	0	0	0
Payroll taxes	0	0	0	0
Retirement	0	0	0	0
Repairs and maintenance	0	0	0	0
Insurance	0	0	0	0
Truck expenses	0	0	0	0
Legal	0	0	0	0
Subcontract	127,000	125,764	1,236	125,773
Supplies	0	0	0	0
Unemployment expense	0	0	0	0
Workmen's compensation insurance	0	0	0	0
Total garbage and trash	<u>127,000</u>	<u>125,764</u>	<u>1,236</u>	<u>125,773</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>			<u>2002</u>
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
Clean up:				
Chemicals	\$3,000	\$134	\$2,866	\$0
Fogging expense	5,000	11,629	(6,629)	6,175
Miscellaneous	2,900	4,082	(1,182)	7,354
Salaries	50,000	42,846	7,154	42,811
Payroll taxes	3,825	2,517	1,308	3,251
Retirement	2,250	990	1,260	1,081
Repairs and maintenance	4,000	6,224	(2,224)	2,739
Insurance	6,400	6,490	(90)	6,268
Truck expenses	3,000	3,210	(210)	2,243
Supplies	3,000	8,447	(5,447)	4,824
Unemployment expense	200	131	69	98
Workmen's compensation insurance	1,000	117	883	291
Capital outlay	4,500	15,300	(10,800)	4,428
	<u>89,075</u>	<u>102,117</u>	<u>(13,042)</u>	<u>81,563</u>
Total clean up				
Total sanitation	<u>216,075</u>	<u>227,881</u>	<u>(11,806)</u>	<u>207,336</u>
Hart airport:				
Insurance	5,000	3,588	1,412	4,159
Salaries	0	690	(690)	91
Utilities	6,000	6,509	(509)	5,684
Supplies	3,000	1,606	1,394	4,718
Miscellaneous	31,062	22,928	8,134	21,308
Payroll taxes	0	212	(212)	7
Repairs and maintenance	10,500	15,748	(5,248)	0
Workmen's compensation insurance	250	323	(73)	286
Telephone	2,000	2,105	(105)	2,150
Capital outlay	7,420	6,780	640	310,925
	<u>65,232</u>	<u>60,489</u>	<u>4,743</u>	<u>349,328</u>
Total airport				

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>			<u>2002</u>
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Current:				
Recreation and other:				
Insurance	\$1,000	\$377	\$623	\$564
Utilities	7,500	7,905	(405)	5,184
Repairs	5,000	4,825	175	16,294
Salaries	5,000	5,187	(187)	4,192
Payroll taxes	383	621	(238)	649
Miscellaneous	16,450	19,625	(3,175)	7,655
Supplies	1,000	2,489	(1,489)	4,019
Grants	39,500	21,982	17,518	24,599
Capital outlay	100,000	59,350	40,650	35,455
Total recreation	<u>175,833</u>	<u>122,361</u>	<u>53,472</u>	<u>98,611</u>
Maintenance:				
Miscellaneous	150	0	150	100
Repairs	0	0	0	0
Supplies	200	125	75	159
Capital outlay	0	0	0	0
Personnel expense	0	0	0	0
Utilities	150	143	7	104
Total maintenance	<u>500</u>	<u>268</u>	<u>232</u>	<u>363</u>
Public relations:				
Capital outlay	0	0	0	910
Christmas parade	7,500	5,552	1,948	7,676
Office supplies & postage	1,050	510	540	1,347
Promotion	15,000	7,528	7,472	7,667
Salaries	16,640	19,775	(3,135)	15,107
Payroll taxes	1,273	1,336	(63)	1,150
Supplies	5,000	5,262	(262)	9,575
Retirement	0	707	(707)	0
Telephone	250	907	(657)	417
Travel & seminars	1,500	1,667	(167)	2,415
Miscellaneous	15,400	14,974	426	6,441
Total public relations	<u>63,613</u>	<u>58,218</u>	<u>5,395</u>	<u>52,705</u>
Total current expenditures	<u>1,356,653</u>	<u>1,312,284</u>	<u>44,369</u>	<u>1,573,383</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Airport construction costs:				
Construction costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total airport construction costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Debt service:				
Certificates of indebtedness-				
Principal	0	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total debt service-certificates	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Theatre debt-				
Principal	0	0	0	0
Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total debt service-theatre debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total debt service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>1,356,653</u>	<u>1,312,284</u>	<u>44,369</u>	<u>1,573,383</u>
Excess (deficiency) of revenues over expenditures	<u>(548,678)</u>	<u>(475,622)</u>	<u>73,056</u>	<u>(434,903)</u>
Other financing sources (uses):				
Operating transfers from (to):				
Debt service fund	0	0	0	0
Sales tax fund	<u>390,060</u>	<u>421,183</u>	<u>31,123</u>	<u>426,235</u>
Total other financing sources (uses)	<u>390,060</u>	<u>421,183</u>	<u>31,123</u>	<u>426,235</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(158,618)</u>	<u>(54,439)</u>	<u>104,179</u>	<u>(8,668)</u>
Fund balance, beginning of year	<u>484,587</u>	<u>484,587</u>	<u>0</u>	<u>493,255</u>
Fund balance, end of year	<u>\$325,969</u>	<u>\$430,148</u>	<u>\$104,179</u>	<u>\$484,587</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	SALES TAX	STREETS AND SIDEWALKS	TOTALS	
			2003	2002
ASSETS				
Cash and cash equivalents	\$91,028	\$31,050	\$122,078	\$203,908
Investments, at cost		156,298	156,298	203,608
Interest receivable		1,317	1,317	833
Due from State of Louisiana		3,500	3,500	3,500
Sales taxes receivable	86,014	0	86,014	95,618
Due from general fund		73,347	73,347	44,527
Due from sales tax fund		78,983	78,983	84,946
Due from utility fund		84,710	84,710	52,046
Prepaid insurance		12,899	12,899	0
Total assets	<u>\$177,042</u>	<u>\$442,104</u>	<u>\$619,146</u>	<u>\$688,986</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$0	\$31,437	\$31,437	\$3,660
Payroll and payroll taxes payable		9,175	9,175	4,380
Due to federal government		0	0	0
Due to general fund	77,034	0	77,034	82,997
Due to streets & sidewalks fund	78,983		78,983	84,946
Due to utility fund	21,025		21,025	24,006
Total liabilities	177,042	40,612	217,654	199,989
Fund balances - unreserved	<u>0</u>	<u>401,492</u>	<u>401,492</u>	<u>488,997</u>
Total liabilities and fund balances	<u>\$177,042</u>	<u>\$442,104</u>	<u>\$619,146</u>	<u>\$688,986</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2002

	SALES TAX	STREETS AND SIDEWALKS	TOTALS	
			2003	2002
Revenues:				
Taxes	\$1,070,335		\$1,070,335	\$1,079,719
Intergovernmental		\$7,000	7,000	7,000
Interest	513	7,138	7,651	9,983
Miscellaneous		0	0	0
Total revenues	<u>1,070,848</u>	<u>14,138</u>	<u>1,084,986</u>	<u>1,096,702</u>
Expenditures:				
General government	17,891	278,985	296,876	205,534
Highways and streets		243,841	243,841	194,672
Total expenditures	<u>17,891</u>	<u>522,826</u>	<u>540,717</u>	<u>400,206</u>
Excess (deficiency) of revenues over expenditures	1,052,957	(508,688)	544,269	696,496
Other financing sources (uses):				
Operating transfers in (out)	<u>(1,052,957)</u>	<u>421,183</u>	<u>(631,774)</u>	<u>(639,353)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(87,505)	(87,505)	57,143
Fund balances, beginning of year	<u>0</u>	<u>488,997</u>	<u>488,997</u>	<u>431,854</u>
Fund balances, end of year	<u>\$0</u>	<u>\$401,492</u>	<u>\$401,492</u>	<u>\$488,997</u>

The accompanying notes are an integral part of thes

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2003 AND 2002

ASSETS	2003	2002
Cash	\$91,028	\$96,331
Sales taxes receivable	<u>86,014</u>	<u>95,618</u>
Total assets	<u>\$177,042</u>	<u>\$191,949</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to general fund	\$77,034	\$82,997
Due to streets and sidewalks fund	78,983	84,946
Due to utility fund	<u>21,025</u>	<u>24,006</u>
Total liabilities	177,042	191,949
Fund balance - unreserved	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$177,042</u>	<u>\$191,949</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
Revenues:		
Taxes:		
Sales tax	\$1,070,335	\$1,079,719
Interest	<u>513</u>	<u>830</u>
Total revenues	<u>1,070,848</u>	<u>1,080,549</u>
Expenditures:		
General government-		
Collection fee	17,891	14,961
Miscellaneous	<u>0</u>	<u>0</u>
Total expenditures	<u>17,891</u>	<u>14,961</u>
Excess of revenues over expenditures	<u>1,052,957</u>	<u>1,065,588</u>
Other financing uses:		
Operating transfers to:		
General fund	(421,183)	(426,235)
Streets and sidewalks fund	(421,183)	(426,235)
Utility fund	<u>(210,591)</u>	<u>(213,118)</u>
Total other financing uses	<u>(1,052,957)</u>	<u>(1,065,588)</u>
Excess of revenues over expenditures and other financing uses	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
SALES TAX FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Sales tax	\$990,000	\$1,070,335	\$80,335	\$1,079,719
Interest	<u>0</u>	<u>513</u>	<u>513</u>	<u>\$830</u>
Total revenues	<u>990,000</u>	<u>1,070,848</u>	<u>80,848</u>	<u>1,080,549</u>
Expenditures:				
General government-				
Collection fee	14,850	17,891	(3,041)	14,961
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>14,850</u>	<u>17,891</u>	<u>(3,041)</u>	<u>14,961</u>
Excess of revenues over expenditures	<u>975,150</u>	<u>1,052,957</u>	<u>77,807</u>	<u>1,065,588</u>
Other financing uses:				
Operating transfers to:				
General fund	(390,060)	(421,183)	(31,123)	(426,235)
Streets and sidewalks fund	(390,060)	(421,183)	(31,123)	(426,235)
Utility fund	<u>(195,030)</u>	<u>(210,591)</u>	<u>(15,561)</u>	<u>(213,118)</u>
Total other financing uses	<u>(975,150)</u>	<u>(1,052,957)</u>	<u>(77,807)</u>	<u>(1,065,588)</u>
Excess of revenues over expenditures and other financing uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2003 AND 2002

ASSETS	2003	2002
Cash and cash equivalents	\$31,050	\$107,577
Investments, at cost	156,298	203,608
Interest receivable	1,317	833
Due from State of Louisiana	3,500	3,500
Due from general fund	73,347	44,527
Due from sales tax fund	78,983	84,946
Due from utility fund	84,710	52,046
Prepaid insurance	12,899	0
	<hr/>	<hr/>
Total assets	<u>\$442,104</u>	<u>\$497,037</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$31,437	\$3,660
Due to general fund	0	0
Payroll & payroll taxes payable	9,175	4,380
	<hr/>	<hr/>
Total liabilities	40,612	8,040
Fund balance - unreserved	<hr/> 401,492	<hr/> 488,997
	<hr/>	<hr/>
Total liabilities and fund balance	<u>\$442,104</u>	<u>\$497,037</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2003 AND 2002

	2003	2002
Revenues:		
Intergovernmental revenues:		
Louisiana Department of Transportation and Development	\$7,000	\$7,000
Interest	7,138	9,153
Grants and other miscellaneous revenue	<u>0</u>	<u>0</u>
Total revenues	<u>14,138</u>	<u>16,153</u>
Expenditures:		
General government-		
Accounting	3,080	3,000
Equipment repair & maintenance	672	5,169
Engineering fees	29,731	6,572
Insurance	24,435	26,460
Miscellaneous	4,301	2,772
Salaries	122,674	73,744
Supplies & materials	34,909	37,138
Payroll taxes	9,538	5,732
Truck expense	16,111	9,652
Retirement	4,177	2,650
Contract labor and hauling	20,791	11,388
Workmen's compensation	7,689	6,006
Legal	0	26
Travel and seminars	<u>877</u>	<u>264</u>
Total general government	<u>278,985</u>	<u>190,573</u>
Highways and streets-		
Street signs	523	191
Equipment	29,368	38,999
Street construction	0	0
Street repair	<u>213,950</u>	<u>155,482</u>
Total highways and streets	<u>243,841</u>	<u>194,672</u>
Total expenditures	<u>522,826</u>	<u>385,245</u>
Excess (deficiency) of revenues over expenditures	<u>(508,688)</u>	<u>(369,092)</u>
Other financing sources:		
Operating transfers from:		
Sales tax fund	<u>421,183</u>	<u>426,235</u>
Total other financing sources	<u>421,183</u>	<u>426,235</u>
Excess (deficiency) of revenues over expenditures and other financing sources	(87,505)	57,143
Fund balance, beginning of year	<u>488,997</u>	<u>431,854</u>
Fund balance, end of year	<u><u>\$401,492</u></u>	<u><u>\$488,997</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Intergovernmental revenues:				
Louisiana Department of Transportation and Development	\$7,000	\$7,000	\$0	\$7,000
Interest	4,500	7,138	2,638	9,153
Grants and other miscellaneous revenue	0	0	0	0
Total revenues	11,500	14,138	2,638	16,153
Expenditures:				
General government-				
Accounting	3,500	3,080	420	3,000
Equipment repair & maintenance	5,000	672	4,328	5,169
Engineering fees	30,000	29,731	269	6,572
Insurance	32,000	24,435	7,565	26,460
Miscellaneous	4,950	4,301	649	2,772
Salaries	119,247	122,674	(3,427)	73,744
Supplies & materials	25,000	34,909	(9,909)	37,138
Payroll taxes	5,447	9,538	(4,091)	5,732
Truck expense	12,500	16,111	(3,611)	9,652
Retirement	1,913	4,177	(2,264)	2,650
Contract labor and hauling	16,000	20,791	(4,791)	11,388
Workmen's compensation	6,000	7,689	(1,689)	6,006
Legal	150	0	150	26
Travel and seminars	150	877	(727)	264
Total general government	261,857	278,985	(17,128)	190,573

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
SPECIAL REVENUE FUNDS
STREETS AND SIDEWALKS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Expenditures: (continued)				
Highways and streets:				
Street signs	\$1,000	\$523	\$477	\$191
Equipment	37,000	29,368	7,632	38,999
Street construction	0	0	0	0
Street repair	214,000	213,950	50	155,482
Total highways and streets	252,000	243,841	8,159	194,672
Total expenditures	513,857	522,826	(8,969)	385,245
Excess (deficiency) of revenues over expenditures	(502,357)	(508,688)	(6,331)	(369,092)
Other financing sources:				
Operating transfers (to) from:				
Sales tax fund	390,060	421,183	31,123	426,235
Total other financing sources	390,060	421,183	31,123	426,235
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	(112,297)	(87,505)	24,792	57,143
Fund balance, beginning of year	488,997	488,997	0	431,854
Fund balance, end of year	\$376,700	\$401,492	\$24,792	\$488,997

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
DEQ GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	June 30,	
	2003	2002
ASSETS		
Cash	\$22,582	\$11,269
Investments	195,780	192,093
Interest receivable	550	45
Ad valorem taxes receivable	1	802
Due from general fund	<u>3,003</u>	<u>906</u>
Total assets	<u><u>\$221,916</u></u>	<u><u>\$205,115</u></u>
LIABILITIES AND FUND BALANCES		
Due to Utility Fund	\$110,603	110,778
Interest payable	2,159	1,984
Fund balances - designated for debt service	<u>109,154</u>	<u>92,353</u>
Total liabilities and fund balances	<u><u>\$221,916</u></u>	<u><u>\$92,353</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
DEQ GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	2003	2002
Revenues:		
Taxes - ad valorem	\$140,475	\$136,383
Interest	<u>4,405</u>	<u>6,820</u>
Total revenues	<u>144,880</u>	<u>143,203</u>
Expenditures:		
Principal retirement	100,000	95,000
Interest coupons paid	<u>28,079</u>	<u>11,208</u>
Total expenditures	<u>128,079</u>	<u>106,208</u>
Excess of revenues over expenditures	<u>16,801</u>	<u>36,995</u>
Other financing sources (uses):		
Proceeds from bonds issued	248,049	224,673
Proceeds transferred to Utility Fund	(248,049)	(224,673)
Residual transfer (to) from General Fund	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Excess of revenues over expenditures after transfers	16,801	36,995
Fund balances, beginning of year	<u>92,353</u>	<u>55,358</u>
Fund balances, end of year	<u><u>\$109,154</u></u>	<u><u>\$92,353</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
DEBT SERVICE FUND
DEQ GENERAL OBLIGATION BONDS
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2003

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Revenues:				
Taxes - ad valorem	\$140,000	\$140,475	\$475	\$136,383
Interest	5,000	4,405	(595)	6,820
Total revenues	145,000	144,880	(120)	143,203
Expenditures:				
Principal retirement	100,000	100,000	0	95,000
Interest coupons paid	28,000	28,079	(79)	11,208
Total expenditures	128,000	128,079	(79)	106,208
Excess of revenues over expenditures	17,000	16,801	(41)	36,995
Other financing sources (uses):				
Proceeds from bonds issued	248,049	248,049	0	224,673
Proceeds transferred to Utility Fund	(248,049)	(248,049)	0	(224,673)
Residual transfer (to) from General Fund	0	0	0	0
	0	0	0	0
Excess of revenues over expenditures after transfers	17,000	16,801	(41)	36,995
Fund balance, beginning of year	92,353	92,353	0	55,358
Fund balance, end of year	<u>\$109,353</u>	<u>\$109,154</u>	<u>(\$41)</u>	<u>\$92,353</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2003 AND 2002

ASSETS	2003	2002
Current assets:		
Cash and cash equivalents	\$51,852	\$13,838
Investments, at cost	17,863	4,686
Receivables:		
Accrued interest and other	1,435	2,334
Utility bills	139,209	148,691
Due from Debt Service Fund	110,603	110,778
Prepaid expenses	<u>14,634</u>	<u>11,604</u>
Total current assets	<u>335,596</u>	<u>291,931</u>
Restricted assets:		
Cash and cash equivalents:		
Customers' meter deposits:		
Cash	10,414	10,134
Time certificates of deposit, at cost	73,136	83,926
Construction and DEQ bond restricted funds:		
Cash	308,275	615,901
Time certificates of deposit, at cost	514,224	502,352
Revenue bond & interest sinking fund:		
Money market account	30,550	31,882
Depreciation & contingency fund:		
Time certificate of deposit, at cost	235,197	228,503
Revenue bond reserve fund:		
Time certificate of deposit, at cost	59,699	58,000
Due from sales tax fund	<u>21,025</u>	<u>24,006</u>
Total restricted assets	<u>1,252,520</u>	<u>1,554,704</u>
Plant and equipment, at cost, net of accumulated depreciation (2003 - \$2,763,822; 2002 - \$2,585,477)	<u>6,423,695</u>	<u>6,082,857</u>
Total assets	<u><u>\$8,011,811</u></u>	<u><u>\$7,929,492</u></u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2003 AND 2002

LIABILITIES AND FUND EQUITY	2003	2002
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$59,988	\$25,987
Payroll and payroll taxes payable	16,094	11,285
Sales tax payable	915	1,501
Due to general fund	270,962	236,186
Due to street & sidewalks fund	<u>84,710</u>	<u>52,046</u>
Total current liabilities (payable from current assets)	<u>432,669</u>	<u>327,005</u>
Current liabilities (payable from restricted assets):		
Revenue bonds payable	25,000	25,000
DEQ bonds payable	247,000	238,000
Accounts payable-construction	40,756	216,609
Interest coupons payable	16,502	17,428
Customers' meter deposits	<u>83,550</u>	<u>84,335</u>
Total current liabilities (payable from restricted assets)	<u>412,808</u>	<u>581,372</u>
Long-term liabilities:		
1977 Revenue bonds payable	545,000	570,000
DEQ Bonds payable	574,143	767,545
Accumulated unpaid vacation	<u>25,910</u>	<u>19,689</u>
Total long-term liabilities	<u>1,145,053</u>	<u>1,357,234</u>
Total liabilities	<u>1,990,530</u>	<u>2,265,611</u>
Fund equity:		
Contributed capital-		
FHA grants	467,000	467,000
Municipality	1,472,816	1,224,767
HUD grants	100,000	100,000
EPA grants	1,037,682	1,037,682
LDUCA - CDB grant	1,901,709	1,901,709
State of Louisiana	11,053	11,053
Sabine Parish Police Jury	<u>8,021</u>	<u>8,021</u>
Total contributed capital	<u>4,998,281</u>	<u>4,750,232</u>
Retained earnings:		
Reserved-		
Reserved for revenue bond reserve fund	59,699	58,000
Reserved for depreciation & contingency fund	235,197	228,503
Reserved for construction	802,766	925,650
Unreserved (deficit)	<u>(74,662)</u>	<u>(298,504)</u>
Total retained earnings (deficit)	<u>1,023,000</u>	<u>913,649</u>
Total fund equity	<u>6,021,281</u>	<u>5,663,881</u>
Total liabilities and fund equity	<u>\$8,011,811</u>	<u>\$7,929,492</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS (DEFICIT)-
UTILITY FUND
BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED JUNE 30, 2003 AND 2002

	2003			2002
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	ACTUAL
Operating revenues:				
Charges for services:				
Water charges	\$625,000	\$658,365	\$33,365	\$631,450
Sewer charges	170,000	164,106	(5,894)	161,129
Water connection charges	14,000	11,040	(2,960)	16,958
Delinquent charges	8,000	17,733	9,733	10,741
Miscellaneous	12,500	8,683	(3,817)	19,497
Total operating revenues	829,500	859,927	30,427	839,775
Operating expenses:				
Salaries	246,613	253,705	(7,092)	214,346
Insurance	50,900	59,826	(8,926)	44,585
Supplies	45,300	34,426	10,874	41,814
Contract labor	21,000	22,376	(1,376)	7,091
Bad debt expense	1,500	5,155	(3,655)	3,434
Legal and accounting	7,100	5,343	1,757	4,507
Repairs and maintenance	47,500	29,594	17,906	24,608
Truck expense	17,500	12,993	4,507	9,180
Telephone	6,650	8,815	(2,165)	7,224
Rent	200	663	(463)	394
Office supplies and postage	7,100	6,386	714	7,583
Retirement	10,200	10,605	(405)	7,357
Payroll taxes	16,418	19,517	(3,099)	15,576
Utilities	105,000	100,128	4,872	95,301
Freight	2,000	355	1,645	315
Miscellaneous	13,716	19,849	(6,133)	19,484
Testing fees	8,500	6,842	1,658	6,671
Water treatment plant supplies	64,000	72,396	(8,396)	61,728
Sewer plant supplies	20,000	11,261	8,739	22,250
Water purchased	38,000	44,618	(6,618)	34,943
Depreciation	177,000	191,269	(14,269)	162,447
Professional fees	6,000	22,484	(16,484)	3,970
Travel and seminars	5,400	2,896	2,504	2,896
Total operating expenses	917,597	941,502	(23,905)	797,704
Operating income (loss)	(88,097)	(81,575)	6,522	42,071
Nonoperating revenues (expenses):				
Interest income	25,000	30,795	5,795	47,276
Transfer from sales tax fund	195,030	210,591	15,561	213,118
Interest expense	(29,750)	(50,460)	(20,710)	(30,250)
Total nonoperating revenues (expenses)	190,280	190,926	646	230,144
Net income (loss)	102,183	109,351	7,168	272,215
Retained earnings, beginning of year	913,649	913,649	0	641,434
Retained earnings (deficit), end of year	\$1,015,832	\$1,023,000	\$7,168	\$913,649

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2003 AND 2002

	2003	2002
General fixed assets, at cost		
Land	\$116,366	\$116,366
Buildings and improvements	479,989	413,859
Streets and traffic equipment	5,935	5,935
Equipment	795,205	768,150
Automobiles and trucks	<u>277,316</u>	<u>256,698</u>
Total general fixed assets	<u>\$1,674,811</u>	<u>\$1,561,008</u>
Total investment in general fixed assets	<u>\$1,674,811</u>	<u>\$1,561,008</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED JUNE 30, 2003

	BEGINNING BALANCE	ADDITIONS	DELETIONS	ENDING BALANCE
Land	\$116,366	\$0	\$0	\$116,366
Buildings and improvements	413,859	66,130	0	479,989
Streets and traffic control equip.	5,935	0	0	5,935
Machinery and equipment	768,150	27,055	0	795,205
Automobiles and trucks	<u>256,698</u>	<u>20,618</u>	<u>0</u>	<u>277,316</u>
Total general fixed assets	<u>\$1,561,008</u>	<u>\$113,803</u>	<u>\$0</u>	<u>\$1,674,811</u>

The accompanying notes are an integral part of these statements.

TOWN OF MANY, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 2003
WITH COMPARATIVE TOTALS FOR JUNE 30, 2002

	DEQ GENERAL OBLIGATION BONDS	ACCUMULATED UNPAID VACATION	TOTALS	
			2003	2002
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount available in Debt Service Fund for debt retirement	\$109,154		\$109,154	\$205,115
Amount to be provided from ad valorem taxes	546,662		546,662	302,652
Amount to be provided from general revenues	0		0	0
AMOUNT TO BE PROVIDED FOR ACCUMULATED UNPAID VACATION				
Amount to be provided from general revenues		\$42,938	42,938	23,864
Amount to be provided from sales tax revenues for Street Fund		3,666	3,666	1,055
Total available and to be provided	<u>\$655,816</u>	<u>\$46,604</u>	<u>\$702,420</u>	<u>\$532,686</u>
GENERAL LONG-TERM DEBT PAYABLE				
Bonds payable	\$655,816		\$655,816	\$507,767
Accumulated unpaid vacation		<u>\$46,604</u>	<u>46,604</u>	<u>24,919</u>
Total general long-term debt payable	<u>\$655,816</u>	<u>\$46,604</u>	<u>\$702,420</u>	<u>\$532,686</u>

The accompanying notes are an integral part of these statements.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF MANY, LOUISIANA
BOND MATURITY SCHEDULE - UTILITY FUND
JUNE 30, 2003

UTILITY REVENUE BONDS - DECEMBER 30, 1977

FISCAL YEAR ENDING JUNE 30,	BOND NUMBERS	INTEREST PAYMENTS		TOTAL INTEREST	PRINCIPAL DUE DECEMBER 30	TOTAL PAYMENTS
		DECEMBER 30	JUNE 30			
2003	309-333		\$14,250	\$14,250		\$14,250
2004	334-358	\$14,250	13,625	27,875	\$25,000	52,875
2005	359-383	13,625	13,000	26,625	25,000	51,625
2006	384-413	13,000	12,250	25,250	30,000	55,250
2007	414-443	12,250	11,500	23,750	30,000	53,750
2008	444-478	11,500	10,625	22,125	35,000	57,125
2009	479-513	10,625	9,750	20,375	35,000	55,375
2010	514-548	9,750	8,875	18,625	35,000	53,625
2011	549-583	8,875	8,000	16,875	35,000	51,875
2012	584-623	8,000	7,000	15,000	40,000	55,000
2013	624-663	7,000	6,000	13,000	40,000	53,000
2014	664-708	6,000	4,875	10,875	45,000	55,875
2015	709-753	4,875	3,750	8,625	45,000	53,625
2016	754-798	3,750	2,625	6,375	45,000	51,375
2017	799-848	2,625	1,375	4,000	50,000	54,000
2018	849-903	1,375		1,375	55,000	56,375
Totals		<u>\$127,500</u>	<u>\$127,500</u>	<u>\$255,000</u>	<u>\$570,000</u>	<u>\$825,000</u>

Supplementary schedule. Presented as additional analytical data.

TOWN OF MANY, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Louisiana Office of Community Services Emergency Shelter Grants Program (note-these grants passed through to Project Celebration, Inc.)	14.231	584108	16,707
U. S. DEPARTMENT OF JUSTICE			
COPS in Schools	16.710	2001SHWX0431	15,112
Equipment grant	16.592		3,295
U. S. ENVIROMENTAL PROTECTIN AGENCY			
Passed through Louisiana Department of Enviromental Quality Water quality revolving loan program	66.468		301,647
			<hr/>
			<u>\$336,761</u>

NOTE - The above schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

I have audited the general purpose financial statements of the Town of Many, Louisiana, and the combining, individual fund, and account group financial statements of the Town of Many, Louisiana, for the year ended June 30, 2003, and have issued my report thereon dated January 6, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Many, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provision was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed the following instance of noncompliance that is required to be reported under *Government Auditing Standards*:

1. Existing condition

The audit of the Town's financial statements was not completed within the required six months as required by Louisiana law, due to a serious medical problem encountered by the auditor during December 2003.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Many, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Mayor, Board of Aldermen, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read 'E. W. Fremaux II', with a stylized flourish at the end.

EUGENE W. FREMAUX II, CPA
January 6, 2004

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Kenneth Freeman, Mayor
and Board of Aldermen
Town of Many, Louisiana

Compliance

I have audited the compliance of the Town of Many, Louisiana, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The Town of Many, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Many, Louisiana's management. My responsibility is to express an opinion on the Town of Many, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Many, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Town of Many, Louisiana's compliance with those requirements.

In my opinion, the Town of Many, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the Town of Many, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Town of Many, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing

procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the Mayor, Board of Aldermen, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read 'Eugene W. Fremaux II', with a stylized flourish at the end.

EUGENE W. FREMAUX II, CPA
January 6, 2004

Town of Many, Louisiana
**Schedule of Findings and Questioned Costs
and
Summary Schedule of Prior Audit Findings**
June 30, 2003

SCHEDULE OF FINDINGS AND QUESTIONED COSTS:

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Many, Louisiana.
2. One reportable conditions relating to the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the general purpose financial statements of the Town of Many, Louisiana were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported in the report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the Town of Many, Louisiana expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award program for the Town of Many, Louisiana.
7. The program tested as a major program was a Drinking Water Revolving Loan Fund Program from the U.S. Environmental Protection Agency, passed through the State of Louisiana.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Town of Many, Louisiana was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

The audit of the Town's financial statements was not completed within the required six months as required by Louisiana law, due to a serious medical problem encountered by the auditor during December 2003.

C. Findings and Questioned Costs - Major Federal Award Program Audit

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:

There were no findings or questioned costs for the year ended June 30, 2002.